

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 GUATEMALA 000450

SIPDIS

TREASURY/OFAC FOR SAMARA, TREASURY/TFFC FOR ROSS, BOGOTA
FOR OFAC, STATE FOR INL/C PETERS, INL/LP AMARTIN,
EB/ESC/TFS CLARK

E.O. 12958: DECL: 02/06/2016

TAGS: [ECON](#) [EFIN](#) [GT](#) [KCOR](#) [PTER](#) [SNAR](#) [KTFN](#)

SUBJECT: NEW MONEY LAUNDERING INVESTIGATIVE UNIT

REF: STATE 18358

Classified By: Econ Tom Palaia for Reasons 1.5 (d).

11. (SBU) Post is coordinating with the GOG regarding support for a new anti-money laundering investigative unit. The multi-agency unit would be supported with INL/NAS funds and vetted according to DEA guidelines. The idea is to create a unit capable of working closely with the DEA to target major international organized crime and drug smuggling operations while serving as a model investigative unit to improve Guatemala's capacity to tackle major investigations, independent of USG assistance. The effort has been spearheaded by Minister of Government (MOG), Carlos Vielmann, but will likely be placed under the authority of Prosecutor General (PG) Florido, where it would have the legal mandate to develop and prosecute cases. The March 1 INCSR classification of Guatemala as a country of primary concern for money laundering should help consolidate GOG support for the initiative. Post will work to solicit and coordinate additional assistance and trainings with other USG agencies. End Summary.

Money Laundering Investigative Unit

12. (SBU) The proposed Money Laundering Investigative Unit (MLIU) will differ from existing GOG anti-money laundering entities in two ways which we hope will address the primary weaknesses in Guatemala's anti-money laundering regime.

-- Improved Coordination: The unit will include various GOG agencies with access to financial information and enforcement capabilities.

-- Potential End-Game: The unit's specific purpose will be to pursue investigations through to prosecution, taking it beyond the mandate of existing entities such as the Financial Intelligence Unit (IVE) and the Financial Analyses Unit (UAF) which are limited to analyses.

13. (SBU) The MLIU is the brainchild of MOG Carlos Vielmann, who is frustrated by the lack of law enforcement success in targeting the heads of major criminal organizations. However, in order to be effective and comply with Guatemalan law, the unit will likely be constructed under the purview of Prosecutor General Florido, within the Public Ministry (MP). INL/NAS has already invested approximately \$140,000 in support of a UAF within the MP. However, the UAF has been limited to analyses and has lacked the focus of a strong money laundering prosecutor to guide cases through to prosecution. This initiative is an effort to address these deficiencies.

14. (C) Post proposes a smaller unit (we envision six to ten elite vetted members) that will focus on targeted investigation and prosecution. This unit would be led by a designated money laundering prosecutor with guidance from a DEA Special Agent liaison. The larger UAF would still exist and coordinate analyses with the vetted unit and the rest of the MP, but would not have access to sensitive US law enforcement information. The designation of a lead money laundering prosecutor would provide the unit formal access to financial records. (note: Guatemala's anti-money laundering legislation mandates that bank information can only be solicited from financial supervisors by a "money laundering prosecutor"). Supporting this prosecutor would be four to six investigators and one analyst drawn from the MP and the MOG, along with two to four additional investigators from the Superintendent of Tax and Customs Administration (SAT) and the IVE which is under the Superintendent of Banks (SIB).

15. (C) All members of the unit (regardless of parent agency) will answer to the lead prosecutor in charge of the unit. That prosecutor will answer directly to the Attorney General; however, sharing of specific case information will be limited to vetted unit members, which does not include the AG or other parts of the MP. Post has proposed to the AG and the MOG that, due to the nature of the envisioned continual vetting process (coordinated by NAS and DEA), they will not be able to solicit case specific information directly from the unit. Instead, the Embassy will brief the MOG and AG,

along with other GOG officials on any case sensitive information.

The Role for "Other Agencies"

16. (C) Assigned to the unit would be one or two delegates each from the SAT, and the IVE. These delegates would similarly be vetted and share space with the unit at the MP, answering directly to the unit's lead prosecutor; however this chain of command may need to be kept informal, depending on the legal limitations of the parent agencies. Both SAT and IVE have legally protected access to separate sets of financial information. Ideally, SAT and IVE delegates would informally access information to guide the investigation and help develop and run down leads. When appropriate, they could then assist the prosecutor in formally requesting information in such a way that it could legally support a conviction. They would also help to inform the unit as to what types of information exist, and the best ways to solicit that information from their parent agencies, or otherwise acquire it through investigation. (note: IVE and SAT officials consistently complain about the poor quality of requests for information coming out of the MP; alleging that they ask for too much information and miss what is really valuable because of how they structure their requests.)

17. (SBU) A potential indirect benefit from SAT and IVE involvement is the encouragement of these agencies to actively participate in tracking organized crime activities. Increasing their understanding of organized crime and the needs of investigators and prosecutors, might encourage increased vigilance and tracking of suspicious activity. Their increased institutional understanding of investigative and prosecution necessities should improve the general quality of information forwarded to MP investigators.

18. (C) MOG Vielmann is coordinating the GOG's solicitation of USG assistance and, as President Berger's lead law enforcement figure, will take an active, if unofficial role in constructing the money laundering unit within the MP. Three MOG investigators are contemplated for participation in the unit. The MOG will also need to maintain its own elite unit capable of executing warrants and otherwise supporting the activities of the money laundering investigative unit. This will likely be coordinated as part of the NAS supported restructuring and vetting of Guatemala's drug police (SAIA).

19. (C) A long-term goal is to make the unit capable of standing alone within the MP. The MP personnel system is extremely cumbersome and appointments are often politically tainted by interested parties. Thanks to a combination of corruption and incompetence, the previous two Attorney Generals made successful prosecution of high-profile cases impossible. Creating a stand-alone unit capable of cooperating directly with the USG on sensitive investigations would safeguard our interests from potential interference. Including these other agencies in the unit removes extra bureaucratic steps for soliciting information that open the door to potential case tampering.

Potential GOG Sensitivities

10. (C) Poor coordination among Guatemalan agencies is an ongoing struggle, and these particular groups do not entirely trust each other; participation will require ongoing coordination and Embassy oversight. Additionally, GOG leaders may understandably be sensitive to our insistence that they cannot directly access all information managed by the unit, but this should be manageable through a commitment to regular dialogue between the Embassy and GOG. Giving the MP more direct access to tax and bank records through SAT and IVE inclusion in the unit presents a legal challenge and may cause some private sector resistance. Framing these interagency delegates as "advisors" or "liaisons", there to help the MP with analyses and preparing formal legal requests for information, rather than investigators directly accessing information, should address the concerns.

Comment: Continuing USG Support Critical

11. (SBU) Even with top level GOG support, creation of the unit will require close Embassy coordination. The Ambassador has met separately with the heads of the MP, MOG, SIB, and SAT, to solicit their cooperation, and plans to bring them all together to finalize details of their agencies' participation. Post will seek additional resources and training from various USG agencies with expertise in money laundering. We envision hands on training that simultaneously builds capacity and directly advances specific cases of particular importance to the USG and GOG. This unit's success would address a primary weakness in Guatemala's anti-money laundering enforcement, strengthen the rule of law in the face of a growing threat from organized crime, and advance cases of specific interest to US law

enforcement.
DERHAM